

From: "Carter, Richard" <rcarter@amerisourcebergen.com>
Sent: Fri, 7 Sep 2007 11:16:49 -0400 (EDT)
To: "Zimmerman, Chris" <CZimmerman@amerisourcebergen.com>, "Capone, Anthony" <acapone@amerisourcebergen.com>
Cc: "Frery, James" <jfrery@amerisourcebergen.com>, "Mays, Steve" <smays@amerisourcebergen.com>, "Chou, John" <jchou@amerisourcebergen.com>
Subject: RE: OMP

What I think I am reading here is we are not on a level playing with our competition, and we do understand that we will continue to lose business.

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From: Zimmerman, Chris
Sent: Friday, September 07, 2007 10:55 AM
To: Capone, Anthony
Cc: Carter, Richard; Frery, James; Mays, Steve; Chou, John
Subject: RE: OMP

Tony, standard default thresholds are set at 300% (3 times) of the average purchases of that product for that category. If the customer is a small retail account, then its thresholds are set at 3 times the average purchase of that item by small retail accounts.

However, depending upon the type of patients serviced (i.e., pain), customers may have to have their thresholds increased for certain items based upon its patient base and demand, hence the need for the questionnaire. The questionnaire is documentation that this customer has a need for this product in access of 300% of the average.

Once CSRA receives the questionnaire, we perform the necessary due diligence to confirm the information (i.e., verify Dr. licenses and locations; product mix, etc), and increase the customer's threshold based upon that accounts past purchase history. If we have to consistently raise a customer's threshold for just one item, that is a red flag. If the customers business is increasing, why is it only increasing for just one item? Especially when that one item is oxycodone or hydrocodone, one of the most highly diverted controlled substances in the United States.

Regarding the time frame, as communicated above, CSRA can't raise thresholds and release orders until we perform the necessary due diligence; therefore, Marilyn could take as long as she wanted to complete the form, the problem is that the order would be held until the form is returned and proper due diligence is performed.

HIGHLY CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER
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PLAINTIFFS TRIAL
EXHIBIT
P-17118_00001

ABDC-STCT003376584
ABDCMDL09838395

P-17118_00001

I hope that helps.

Chris

From: Capone, Anthony
Sent: Friday, September 07, 2007 10:00 AM
To: Zimmerman, Chris
Cc: Carter, Richard; Frary, James; Mays, Steve; Chou, John
Subject: RE: OMP

Good news on the level playing field.

Question; It's my understanding that once the questionnaire is completed, that specific accounts history is used to set the thresholds with some factor that allows for growth. Is that accurate? In many cases I'm being told by the field that this has been done and there is no material change in the accounts buying patterns but they still have orders held. Before I reach out for specifics, I want to make sure that my assumptions are accurate.

Another concern is that in reading the e-mail that involved Marilyn O'Connor, it appeared that she was not given a few days to satisfy the request.

From: Zimmerman, Chris
Sent: Friday, September 07, 2007 9:54 AM
To: Capone, Anthony
Cc: Carter, Richard; Frary, James; Mays, Steve; Chou, John
Subject: FW: OMP

Thanks Tony for the feedback. In checking with Ted, he informed me that part of the Windsor issue was system related, which has been forwarded to IT for correction. It appears that we had already raised these accounts thresholds in the past, and that the held orders had caused these accounts to significantly go over their newly raised thresholds; that is why they were held.

I believe that you will hopefully see the playing field leveled in the next couple of weeks:

- 1) I believe that DEA is actively in negotiations with at least one, if not both of the other two large wholesalers.
- 2) DEA is making this a focal point next week at DEA's Annual Industry Conference.
- 3) DEA has requested that I present to Industry on how ABC complies with the federal requirements to prevent diversion; therefore, every wholesaler will be put on notice of what is expected of them. Don't worry, I won't give specifics of ABC's program, just that DEA expects ALL distributors to restrict and hold orders until proper due diligence is performed.
- 4) ABC, McKesson, and Cardinal have been requested to attend a meeting with DEA on September 19, 2007, regarding the monitoring, restricting, and reporting of certain controlled substances. ABC is the only one that has the capability at this time, thus putting additional pressure on Cardinal and McKesson to implement a system equivalent to ABC's.

Thank you for your cooperation,

Chris Zimmerman, CPP, CFE
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From: Capone, Anthony
Sent: Friday, September 07, 2007 8:56 AM
To: Carter, Richard; Frary, James
Cc: Zimmerman, Chris
Subject: OMP

I am attaching a couple of e-mails. There are other rumblings about customers at risk or lost revenue but these have been e-mailed with some detail. I am not suggesting that there currently are orders being held but the recent OMP activity has hurt our business or is putting it at risk. In the account mentioned in Bob Toenniges' e-mail I don't think the customer blew up, he just made a business decision that we should be secondary.

<< Message: Smart Med #23-037416 >> << Message: OMP Issues >>

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